GOVERNMENT OF INDIA
PLANNING
LOK SABHA

STARRED QUESTION NO:41
ANSWERED ON:25.07.2001
IDENTIFICATION OF MOST BACKWARD AREAS
ALE NARENDRA;SANJAY PASWAN

Will the Minister of PLANNING be pleased to state:

(a) whether the Government are contemplating to identify the most backward areas in the country and make a special scheme for the all round development;

(b) if so, the details thereof along with the names of the backward areas identified, State-wise;

(c) whether the Government are exploring the possibilities to provide any special package to bring these areas into the mainstream of the country; and

(d) if so, the details of the schemes formulated by the Government for the development of the most backward areas?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE IN TH MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERED TO IN REPLY TO PARTS (a) to (d) OF LOK SABHA STARRED QUESTION NO. 41 REGARDI IDENTIFICATION OF MOST BACKWARD AREAS DUE FOR ANSWER ON 25.7.2001.

(a): The hundred most poorest and backward districts in the country were identified by a Committee set up in 1997. The State Governments were requested for their views. The views submitted by the State Governments show that there is no consensus and many of them have stated that they do not agree with the criteria used. Therefore, it will be evident that each region is unique even as far as its development problems and prospects are concerned. On the same analogy it may not be appropriate to draw up one monolithic package for all areas with development problems as
(i) it would not address the typical problems of each and every identified region;
(ii) the assistance would have to be pre-empted from the total available Central Assistance to the States and thus cut into the already inadequate levels of Central Assistance available to them ; and
(iii) it would impinge on the prerogative of the Panchayati Raj Institutions to plan as accorded to them vide the Constitution 73rd and 74th Amendment Acts.

The Central Government supplements the efforts of the State Governments in the development of backward areas through weightage in the formula used for the distribution of Central Assistance.

Successive Finance Commissions have laid stress on backwardness in the formula for determining inter-state shares of Central Tax proceeds. In particular, the weight of the inverse of per capita state income criterion takes note of backwardness. The Eleventh Finance Commission assigned a weight of 62.5 percent for its award period, 2000-05, which is higher than the weight assigned by previous Commissions.

In addition, the criteria of `Area` and `Index of Infrastructure` also help backward states. In general, larger area and a lower development of infrastructure is strongly associated with backwardness and recognizing this, the Eleventh Finance Commission assigned a weight of 7.5 per cent each, up from 5 per cent recommended by the Tenth Finance Commission.

Assessing the requirement of revenue-gap grants is also an exercise which accords special consideration to backward states. States, which are relatively more backward are not able to raise as much of their own revenues as better off States. This gets built into the assessment of revenue-gap grants.

Finance Commissions also take particular note of specific requirements of each State during their visits. Such requirements are met through recommendation of grants for special problems and upgradation and thus provide an opportunity to backward states to put

forth their claims (Table I gives comparative statement of weightages used in the formula for devolution of Plan and Non-Plan funds).

Further, various programmes have been formulated to deal with the special problems of identified areas such as the Tribal Sub-Plan, the Border Area Development Programme, Hill Areas Development Programme, Desert Development Programme/Drought Prone Areas Programme etc. These programmes use the special characteristics of the particular development problem to identify the areas and fix the levels of allocation. Further, there are a number of programmes for poverty alleviation, employment generation, infrastructure development, watershed development, social security and land reforms to improve the quality of life in the rural areas and to assist people below the poverty line. These programmes use poverty / poverty related indicators for the allocation of funds. The criteria used for the major programmes are detailed in Table-II.

In order to encourage speedy industrialization and for dispersal of industries in industrially backward areas , Category A and Category B districts have been identified for the purpose of income tax concessions under 80-IA of the Income Tax Act. In addition there are various schemes for infrastructure development of the industrial sector such as the Growth Centres Scheme, Scheme for Integrated Infrastrucural Development Centres,etc.

The Mid-term Appraisal of the Ninth Plan showed that the root cause of the problem is not paucity of funds alone, but efficiency and efficacy of the delivery mechanism and systems of governance. Owing to the financial problems of the States, plan funds have been used for payment of salaries; Government of India funds are not passed on to the development departments for months and even years; States are unable to find counterpart funds for Centrally Sponsored Schemes and hence are not able to draw the ear-marked allocations; and often repairs or maintenance of existing assets is not carried out. The States also need to increase the level of transparency and upgrade their capacity to deliver services by ensuring a high degree of commitment, motivation, professional competence and above all, integrity of the political and bureaucratic system. In the Tenth Plan, it is proposed to focus on reduction in regional disparities and greater participation of the local people in decision making .

(b), (c) & (d): Do not arise.

TABLE-I REFERRED TO IN STATEMENT IN REPLY TO PARTS (a) to (d) OF LOK SABHA STARRED QUESTION NO. 4 REGARDING IDENTIFICATION OF MOST BACKWARD AREAS DUE FOR ANSWER ON 25.7.2001.

Weightage used under Gadgil formula and by Eleventh Finance Commission for devolution of funds to States

Criteria	Gadgil Formula (weight %)	Eleventh Finance Commission (weight %)
1. Population	60.00	10.00
2. Per Capita Income	25.00	62.50
3. Area	0.00	7.50
4. Index of Infrastructure	0.00	7.50
5. Tax effort	2.50	5.00
6. Fiscal discipline	2.00	7.50
7 Performance in achieving National Objectives	3.00	0.00
8. Special Problems	7.50	0.00
Total	100.00	100.00

TABLE-II REFERRED TO IN STATEMENT IN REPLY TO PARTS (a) to

(d) OF LOK SABHA STARRED QUESTION NO. 41 REGARDING

IDENTIFICATION OF MOST BACKWARD AREAS DUE FOR ANSWER ON 25.7.2001.

Criteria used for identification of areas / allocation of funds under major schemes

Programme / Scheme	Criteria / basis for allocation
1. Border Area Development Programme (BADP)	All blocks which have an international land border
2.Tribal Sub-Plan	
(i) Tribal Development Projects	Set up in all blocks/groups of blocks where the ST population is more than 50% of total population
(ii) Modified Area Development Approach	In groups of villages with population of 10,000 or more with 50% + tribal population
(iii) Clusters	In groups of villages with population 5000 + where STs constitute more than 50% of the population
(iv) Primitive Tribal Groups	On the basis of pre-agricultural level of technology and extremely low levels of literacy.
3. North Eastern Council	Assam, Arunachal Pradesh, Manipur Meghalaya, Mizoram, Nagaland, Tripura
4.Hill Areas Development Programme (HADP) / Western Ghats Development Programme (WGDP)	Designated Hill areas were identified by a Committee of the National Development Council on hill areas in 1965. The Western Ghats talukas were identified by Dr. M.S. Swaminathan Commission in 1981. Contiguous talukas / blocks with at least 20% of their area at an altitude of 600 m +
5.Swaranjayanti Gram Swarozgar Yojana (SGSY)/ Jawahar Gram Samridhi Yojana(JGSY) / Employment Assurance Scheme (EAS)	State-wise poverty ratios. District level allocations under JGSY / EAS made on index of backwardness giving equal weightage to proportion of rural SC/ST population in district to total SC/ST population in State and inverse of per capita production of agriculture worker in that district
6. Indira Awaas Yojana	50% poverty ratio and 50% housing shortage in the State. District level allocation based on equal weightage to SC/ST population and housing shortage

TABLE-II (CONTD.) REFERRED TO IN STATEMENT IN REPLY TO PARTS (a) to (d) OF LOK SABHA STARRED QUESTION NO. 41 REGARDING IDENTIFICATION OF MOST BACKWARD AREAS DUE FOR ANSWER ON 25.7.2001.

Criteria used for identification of areas / allocation of funds under major schemes Programme / Scheme Criteria / basis for allocation			
7 Pradhan Mantri Gramodaya Yojana (PMGY) Weighted Average Index on the basis of gaps in five basic services using rural water supply, crude birth rate and infant mortality rate, illiteracy rate and drop out rate, rural housing shortage and total number of villages connected with rural roads for gaps in Drinking Water, Primary Health, Primary Education, Shelter and Rural Roads, respectively.			
8. Desert Development Programme (DDP)/ Drought Prone Area Programme (DPAP) Moisture Index MI) less than zero (Blocks as basis) MI = (P - PE)/PE x 100 where P = Precipitation and PE = Potential Evapotranspiration			
M.I.	Programme	Ecosystem	% Irrigated Area
< -66.7	DDP	Arid	upto 30
-66.6 to -33.3	DPAP	Semi-Arid	upto 20
-33.2 to 0	DPAP	Dry sub-humid	upto 15